

Message Text

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TAGS: ETRD, US, UR

SUBJ: TOURIST INDUSTRY DEVELOPMENT - AMERICAN EXPRESS/PAN

AMERICAN PROPOSALS TO THE SOVIET GOVERNMENT

1. IN COURSE REPORT ON FORMATION U.S.-SOVIET JOINT TRADE AND ECONOMIC COUNCIL GIVEN BEFORE THIRD SESSION OF U.S.-USSR JOINT COMMERCIAL COMMISSION, PEPSICO BOARD CHAIRMAN DONALD KENDALL NOTED HE HAD BROUGHT TWO BUSINESS PROPOSALS TO MOSCOW--LUMBER IN SIBERIA AND TOURISM. BOTH OF THESE KENDALL APPARENTLY HANDED TO GENERAL SECRETARY BREZHNEV OCT 4.

2. EMBASSY HAS OBTAINED COPY OF TOURISM PROPOSAL SIGNED JOINTLY BY WILLIAM T. SEAWELL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF PAN AMERICAN, AND WILLIAM H. MORTON, PRESIDENT OF AMERICAN EXPRESS. PROPOSAL ENVISIONS (1) CONSTRUCTION OF SEVERAL DELUXE HOTELS, PRESUMABLY IN LENINGRAD, MOSCOW AND ON THE BLACK SEA, (2) DESIGN AND CONSTRUCTION OF TEN OR MORE LESS LUXURIOUS TOURIST HOTELS, AND (3) DESIGN AND INSTALLATION OF AN EXPANDED COMPUTERIZED RESERVATION SYSTEM FOR HOTEL AND TRAVEL RESERVATIONS.

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3. PROPOSAL SUGGESTS SOV GOVT FORM INTER-MINISTRY FOREIGN

TOURISM DEVELOPMENT COMMITTEE TO INTERFACE WITH A TOURISM DEVELOPMENT TASK FORCE WHICH WOULD INCLUDE AS MEMBERS REPRESENTATIVES KEY INTERNATIONAL FIRMS IN TOURISM INDUSTRY. IN PAN AM/AMEXCO VIEW, TASK FORCE WOULD PREPARE MARKETING ANALYSES OF TOURISM ATTRACTIONS AND EXISTING FACILITIES, DEVELOP APPROPRIATE STATISTICAL DATA ON TOURISM, IDENTIFY FACTORS IMPEDING FURTHER GROWTH OF TOURISM IN USSR, REVIEW DEVELOPMENT PLANS AND IDENTIFY SPECIFIC PROJECTS FOR BID BY AMEXCO, PAN AM AND OTHER FOREIGN FIRMS.

4. DELUXE HOTEL PROPOSAL IS LARGELY REVIEW OF PROPOSALS SUBMITTED TO SOVIET AUTHORITIES BY INTERCONTINENTAL TWO MONTHS AGO AND INCLUDES PROVISION FOR MANAGEMENT BY INTERCONTINENTAL DURING INITIAL PERIOD OF OPERATION. TOURIST HOTEL PROPOSAL IS NEW, RECOMMENDS TEN 200-ROOM UNITS, EACH INCLUDING RESTAURANT, SNACK BAR AND SMALL LOBBY AND OFFERS MANAGEMENT AND STAFF TRAINING BY INTERCONTINENTAL IF REQUESTED.

5. COMPUTERIZED RESERVATIONS SYSTEM WOULD INCLUDE INTOURIST AND, IF DESIRED, AEROFLOT REQUIREMENTS, PROJECT TO BE INSTALLED ON TURNKEY BASIS. AMEXCO ROLE IN ALL THREE PROJECTS WOULD INCLUDE ARRANGEMENT OF FINANCING WHICH COULD REACH DOLS EIGHT - DOLS TWELVE MILLION IN NON-RUBLE COSTS FOR DELUXE HOTELS, DOLS 24 MILLION FOR TOURIST HOTELS, PLUS UNDISCLOSED SUM FOR RESERVATIONS SYSTEM.

6. IN EVENT OF SOVIET GOVT INTEREST, SEAWELL AND MORTON HAVE OFFERED TO SEND COMPANY REPS TO MOSCOW TO DISCUSS CONCEPTS AND SIGN TOURISM DEVELOPMENT AGREEMENT.

7. INTERCONTINENTAL REPRESENTATIVE ERIC BLEICH PRESENTLY IN MOSCOW NOTIFIED EMBOFF OCT 10 THAT COMPANY'S PROPOSAL FOR LENINGRAD LUXURY HOTEL HAD JUST BEEN SENT FOR APPROVAL TO NEGOTIATE TO COUNCIL OF MINISTERS AND THAT STATE COMMITTEE ON SCIENCE AND TECHNOLOGY HAD PROPOSED OCT 9 THAT COMPANY ENGINEERS VISIT MOSCOW TO DISCUSS NEGOTIATION OF AGREEMENT ON SHARING OF INFORMATION ABOUT CONSTRUCTION AND SPECIALIZED ASPECTS OF HOTEL EQUIPMENT TECHNOLOGY.
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